

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 EA-10 IO-13 ISO-00 STRE-00 CTME-00
AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03
H-01 INR-10 INT-05 L-03 LAB-04 NSAE-00 NSC-05
PA-01 AID-05 SS-15 STR-07 ITC-01 TRSE-00 ICA-11
SP-02 SOE-02 OMB-01 DOE-15 /136 W
-----088109 071213Z /46

R 062055Z JUN 78
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 2787
INFO ALL EC CAPITALS
AMEMBASSY MADRID
AMEMBASSY STOCKHOLM
AMEMBASSY TOKYO
USMISSION GENEVA

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USEEC ALSO EMBASSY

PASS TREASURY AND STR ELECTRONICALLY

E. O. 11652: N/A
TAGS: ETRD, FR, EEC
SUBJECT: DEMARCHE ON COST OF PRODUCTION DATA
REQUESTS IN STEEL

REF: (A) STATE 111921, (B) BRUSSELS 10395

1. ON JUNE 5 PREVEL, DIRECTOR FOR MULTILATERAL AFFAIRS
OF THE FOREIGN TRADE MINISTRY STAFF (DREE) CONTACTED
MINECON TO REGISTER THE GOF'S CONCERNS ABOUT THE
REQUEST FOR COST OF PRODUCTION (COP) DATA IN THE GEORGE-
TOWN STEEL ANTIDUMPING CASE (REF A). PREVEL MADE THE
FOLLOWING POINTS:

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--THE DREE HAD THE IMPRESSION FROM PREVIOUS DISCUSSIONS
WITH WASHINGTON OFFICIALS THAT THE USG WOULD INFORM
THE GOF, IN ADVANCE, OF THE PRESENTATION OF ANY C.O.P.
QUESTIONNAIRES.

--THE DREE WAS ALSO SURPRISED BECAUSE THEY UNDERSTOOD

THAT DISCUSSIONS ON THE TOPIC--WHICH WOULD OBVIATE THE NEED FOR SUCH INFORMATION--WERE UNDERWAY INVOLVING EC COMMISSIONER DAVIGNON AND UNDER SECRETARY OF THE TREASURY SOLOMON. (PREVEL ALSO MENTIONED RECENT DISCUSSIONS BETWEEN UNDER SECRETARY COOPER AND DAVIGNON.)

--FURTHERMORE, THE DREE SEES NO NEED FOR ADDITIONAL COP INVESTIGATIONS SINCE THE EC HAS PUBLISHED GUIDANCE PRICES IN THE STEEL SECTOR.

2. WE RESPONDED THAT THE USG HAD IN FACT NOTIFIED THE GOF OF ITS INTENTION TO REQUEST COP DATA (IN BOTH WASHINGTON AND PARIS) AND THAT THE USG IS OBLIGED TO PURSUE THOSE ANTI-DUMPING CASES, WHICH ARE MAINTAINED BY US COMPANIES, OR RISK COURT ACTION.

3. IN A FOLLOW-UP DISCUSSION WITH TESSIER OF THE DREE ON JUNE 6, EMBASSY OFFICER WAS INFORMED THAT THE GOF WOULD TAKE EXCEPTION TO THE PARTS OF THE OECD DRAFT STEEL GROUP TEXT WHICH DEAL WITH PRICE GUIDELINES IF WE MAINTAIN OUR REQUESTS TO THE FRENCH FIRMS FOR COP DATA. THE DREE FEELS THAT THE INVESTIGATION OF FRENCH COST DATA WILL PRESENT OBSTACLES TO THEIR STEEL EXPORTS TO THE US BEYOND THOSE POSED ACROSS THE BOARD BY THE TPM. THUS THEY INTEND TO OPPOSE LANGUAGE WHICH THEY FEEL JUSTIFIES THE TPM. WE LEFT TESSIER LIMITED OFFICIAL USE

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IN NO DOUBT ABOUT THE FACTS OF LIFE UNDER US ANTI-DUMPING LEGISLATION.

4. IN AN UNRELATED CONVERSATION ON JUNE 5, JACQUES FERRY, PRESIDENT OF EUROFER AND THE FRENCH STEEL INSTITUTE, TOLD US THAT DAVIGNON ON JUNE 1 HAD RECOMMENDED THAT THE FRENCH COMPANIES SHOULD NOT RESPOND TO THE REQUEST FOR COP DATA. FERRY AND HIS STAFF ANEW EXPRESSED THEIR CONCERNS ABOUT THE CONTINUATION OF THE ANTI-DUMPING INVESTIGATIONS AFTER THE IMPLEMENTATION OF THE TRIGGER PRICE MECHANISM. THEY NOTED THE IRONY INVOLVED IN THE CONTINUATION OF THE GEORGETOWN STEEL CASE SINCE GEORGETOWN IS A GERMAN CONTROLLED US FIRM WHICH WAS ESTABLISHED PRINCIPALLY TO SUPPLANT EUROPEAN EXPORTS OF WIRE ROD TO THE U.S.

5. ACTION REQUESTED: WE WOULD APPRECIATE ANY FURTHER BACKGROUND INFORMATION (BEYOND REF B) CONCERNING THE REQUESTS FOR COP DATA. WE WOULD ALSO WELCOME GUIDANCE FOR ANY ADDITIONAL RESPONSE WHICH THE DEPARTMENT DEEMS APPROPRIATE TO THE DREE'S DEMARCHE.

HARTMAN

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NNN

Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
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Concepts: DEMARCHE, COSTS, STEEL, PRODUCTION DATA
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Copy: SINGLE
Draft Date: 06 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Reference: 78 STATE 111921, 78 BRUSSELS 10395
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Review Content Flags:
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Subject: DEMARCHE ON COST OF PRODUCTION DATA REQUESTS IN STEEL
TAGS: ETRD, FR, EEC
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